

Placing of Orders with Heavy Engineering Corporation

1598. SHRI PARMESHWAR KUMAR AGARWALLA: Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether it is a fact that he has requested all Government departments to place orders with Heavy Engineering Corporation to revive the loss making company; and

(b) what are the comments of other departments?

THE MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (DR. VALLABHBHAI KATHIRIA): (a) Minister (Heavy Industries and Public Enterprises) had taken a meeting on 21.6.2000 with the Secretaries of the user Departments/Ministries for procurement of orders of HEC.

(b) Departments have agreed to help HEC in due measure.

Package for HMT

1599. SHRI PARMESHWAR KUMAR AGGARWALLA: Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether it is a fact that Government have offered Rs. 300 crores as recast package to HMT;

(b) whether it is also a fact that Government have decided to close down some of the unviable units of HMT;

(c) what are the details of the restructuring plan; and how much is proposed to be spent on voluntary retirement scheme?

THE MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (DR. VALLABHBHAI KATHIRIA): (a) and (c) Salient features of the turnaround plan approved by the Government are as under:

(i) Loan of Rs. 39.70 crore that has been advanced to the Company will be converted into equity. Interest accrued thereon of Rs. 12.74 crore will be written off.

(ii) Fresh equity of Rs. 250 crore (Rs. two hundred and fifty crore) will be infused by GOI to make the net worth positive as on 31.03.2000.